

MONTANA LEGISLATIVE HISTORY

Chapter 577 19 99

Bill H _____ S 534

Original bill & history ☒ c

H. Committee on Appropriations

Hearing Date(s) 4-14 ☒ c

_____ c

_____ c

_____ c

Date Out _____ c

S. Committee on Finance & Claims

Hearing Date(s) 3-26 ☒ c

4-7 ☒ c

4-8 ☒ c

_____ c

Did this bill originate in an interim committee? ☐ Yes ☐ No

Committee _____

Report _____

LEGISLATIVE HISTORIES

The 1997 Montana Legislature dramatically changed the nature of legislative minutes. This altered format continues with the 1999 legislative minutes. The minutes from House committees are extremely sparse in content, offering no substantive information from which to glean legislative intent. The Senate committees' minutes are fuller in content.

Exhibits, which include written statements, attendant information, roll call votes, roll call attendance, a list of those from the public who were present, and specific action taken on legislative bills, will be available only through the Historical Society Archives, 444-4774, and from a CD-ROM produced by the Legislative Services Division, 444-3064.

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SB 534 Introduced by Keenan

LC1913 Drafter: Petesch

Generally Revise Laws Regarding Public Mental Health Delivery;...

By Request of House Joint Approp Subcommittee on Human Services and Aging

2/19	Fiscal Note Needed		
3/22	Introduced and 1st Reading		
3/22	Referred to Finance and Claims		
3/22	Fiscal Note Requested		
3/26	Hearing		
3/30	Fiscal Note Received		
3/31	Fiscal Note Printed		
4/08	Hearing		
4/09	Committee Executive Action--Bill Passed as Amended	12	6
4/09	Committee Report--Bill Passed as Amended		
4/10	2nd Reading Passed as Amended	49	1
4/12	3rd Reading Passed	49	1
	Transmitted to House		
4/13	Referred to Appropriations		
4/14	Hearing		
4/15	Committee Executive Action--Bill Concurred as Amended	13	5
4/15	Committee Report--Bill Concurred as Amended		
4/16	2nd Reading Concurred as Amended	87	11
4/17	3rd Reading Concurred	88	12
	Returned to Senate with Amendments		
4/19	2nd Reading House Amendments Concurred	50	0
4/20	3rd Reading Passed as Amended by House	48	2
4/21	Sent to Enrolling		
4/22	Returned from Enrolling		
4/23	Signed by President		
4/29	Signed by Speaker		
4/30	Transmitted to Governor		
5/06	Signed by Governor		
5/07	Chapter Number Assigned		
	Chapter Number 577		
	Effective Date: 5/06/1999 - All Sections		

SJ 1 Introduced by Harp

LC1330 Drafter: Petesch

Revise the Joint Legislative Rules

By Request of Joint Rules Committee

12/21	Introduced		
1/04	1st Reading		
1/04	Referred to Rules		
1/08	Hearing		
1/08	Committee Executive Action--Bill Passed as Amended	18	3
1/09	Committee Report--Bill Passed as Amended		
1/11	2nd Reading Passed	50	0
1/12	3rd Reading Passed	50	0
	Transmitted to House		
1/13	Referred to Rules		
1/22	Hearing		

Senate BILL NO. 534

INTRODUCED BY

Keenan
(Primary Sponsor)

BY REQUEST OF THE HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN SERVICES AND
AGING

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS REGARDING PUBLIC MENTAL
HEALTH DELIVERY; REQUIRING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO
IMPLEMENT A REGIONAL MENTAL HEALTH MANAGED CARE SYSTEM; PROVIDING FOR DEPARTMENT
RESPONSIBILITIES; AMENDING SECTIONS 53-6-116 AND 53-6-131, MCA; AND PROVIDING AN
IMMEDIATE EFFECTIVE DATE."

WHEREAS, the Legislature is firmly committed to a managed care system for the delivery of public
mental health services in an efficient and cost-effective manner; and

WHEREAS, in order for mental health managed care to be successful, care management must be
carefully monitored and any contract for services must be enforced; and

WHEREAS, the state, service providers, and service recipients and their families must work
cooperatively to ensure that the public mental health delivery system is successful; and

WHEREAS, the Legislature is committed to a transition from the existing contract to a competitive
procurement of mental health managed care services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 53-6-116, MCA, is amended to read:

"53-6-116. Medicaid managed care -- capitated health care. (1) The department of public health
and human services, in its discretion, may develop managed-care and capitated health care systems for
medicaid recipients.

(2) The department may contract with one or more persons for the management of
comprehensive physical health services ~~and the management of comprehensive mental health services~~
for medicaid recipients. The department may contract for the provision of these services by means of a

1 fixed monetary or capitated amount per recipient.

2 (3) A managed-care system is a program organized to serve the medical needs of medicaid
3 recipients in an efficient and cost-effective manner by managing the receipt of medical services for a
4 geographical or otherwise defined population of recipients through appropriate health care professionals.

5 (4) The provision of medicaid services through managed-care and capitated health care systems
6 is not subject to the limitations provided in 53-6-101 and 53-6-104.

7 (5) The proposed systems, referred to in subsection (1), must be submitted to the legislative
8 finance committee. The legislative finance committee shall review the proposed systems at its next
9 regularly scheduled meeting and shall provide any comments concerning the proposed systems to the
10 department of public health and human services."

11

12 **Section 2.** Section 53-6-131, MCA, is amended to read:

13 **"53-6-131. Eligibility requirements.** (1) Medical assistance under the Montana medicaid program
14 may be granted to a person who is determined by the department of public health and human services,
15 in its discretion, to be eligible as follows:

16 (a) The person receives or is considered to be receiving supplemental security income benefits
17 under Title XVI of the Social Security Act, 42 U.S.C. 1381, et seq., and does not have income or
18 resources in excess of the applicable medical assistance limits or receive from FAIM financial assistance,
19 as defined in 53-4-702, benefits under Title IV of the federal Social Security Act, 42 U.S.C. 601, et seq.

20 (b) The person would be eligible for assistance under a program described in subsection (1)(a) if
21 that person were to apply for that assistance.

22 (c) The person is in a medical facility that is a medicaid provider and, but for residence in the
23 facility, the person would be receiving assistance under one of the programs in subsection (1)(a).

24 (d) The person is under 19 years of age and meets the conditions of eligibility in the state plan,
25 as defined in 53-4-201, other than with respect to age and school attendance.

26 (e) The person is under 21 years of age and in foster care under the supervision of the state or
27 was in foster care under the supervision of the state and has been adopted as a hard-to-place child.

28 (f) The person meets the nonfinancial criteria of the categories in subsections (1)(a) through (1)(e)
29 and:

30 (i) the person's income does not exceed the income level specified for federally aided categories

1 of assistance and the person's resources are within the resource standards of the federal supplemental
2 security income program; or

3 (ii) the person, while having income greater than the medically needy income level specified for
4 federally aided categories of assistance:

5 (A) has an adjusted income level, after incurring medical expenses, that does not exceed the
6 medically needy income level specified for federally aided categories of assistance or, alternatively, has
7 paid in cash to the department the amount by which the person's income exceeds the medically needy
8 income level specified for federally aided categories of assistance; and

9 (B) has resources that are within the resource standards of the federal supplemental security
10 income program.

11 (g) The person is a qualified pregnant woman or child as defined in 42 U.S.C. 1396d(n).

12 (2) The department may establish income and resource limitations. Limitations of income and
13 resources must be within the amounts permitted by federal law for the medicaid program.

14 (3) The Montana medicaid program shall pay, as required by federal law, the premiums necessary
15 for medicaid-eligible persons participating in the medicare program and may, within the discretion of the
16 department, pay all or a portion of the medicare premiums, deductibles, and coinsurance for a qualified
17 medicare-eligible person or for a qualified disabled and working individual, as defined in section 6408(d)(2)
18 of the federal Omnibus Budget Reconciliation Act of 1989, Public Law 101-239, who:

19 (a) has income that does not exceed income standards as may be required by the Social Security
20 Act; and

21 (b) has resources that do not exceed standards that the department determines reasonable for
22 purposes of the program.

23 (4) The department may pay a medicaid-eligible person's expenses for premiums, coinsurance,
24 and similar costs for health insurance or other available health coverage, as provided in 42 U.S.C.
25 1396b(a)(1).

26 (5) In accordance with waivers of federal law that are granted by the secretary of the U.S.
27 department of health and human services, the department of public health and human services may grant
28 eligibility for basic medicaid benefits as described in 53-6-101 to an individual receiving FAIM financial
29 assistance, as defined in 53-4-702, as the specified caretaker relative of a dependent child under the
30 FAIM project and to all adult recipients of medical assistance only who are covered under a group related

1 to the program of FAIM financial assistance. A recipient who is pregnant, meets the criteria for disability
2 provided in Title II of the Social Security Act, 42 U.S.C. 416, et seq., or is less than 21 years of age is
3 entitled to full medicaid coverage as provided in 53-6-101.

4 (6) The department, under the Montana medicaid program, may provide, if a waiver is not
5 available from the federal government, medicaid and other assistance mandated by Title XIX of the Social
6 Security Act, 42 U.S.C. 1396, et seq., as may be amended, and not specifically listed in this part to
7 categories of persons that may be designated by the act for receipt of assistance.

8 (7) Notwithstanding any other provision of this chapter, medical assistance must be provided to
9 infants and pregnant women whose family income does not exceed 133% of the federal poverty
10 threshold, as provided in 42 U.S.C. 1396a(a)(10)(A)(ii)(IX) and 42 U.S.C. 1396a(l)(2)(A)(i), and whose
11 family resources do not exceed standards that the department determines reasonable for purposes of the
12 program.

13 (8) Subject to appropriations, the department may cooperate with and make grants to a nonprofit
14 corporation that uses donated funds to provide basic preventive and primary health care medical benefits
15 to children whose families are ineligible for the Montana medicaid program and who are ineligible for any
16 other health care coverage, are under 19 years of age, and are enrolled in school if of school age.

17 (9) A person described in subsection (7) must be provided continuous eligibility for medical
18 assistance, as authorized in 42 U.S.C. 1396a(e)(5) through a(e)(7).

19 (10) The department may establish resource and income standards of eligibility for mental health
20 services that are more liberal than the resource and income standards of eligibility for physical health
21 services. The standards for eligibility for mental health services may provide for eligibility for households
22 with family income that does not exceed 200% of the federal poverty threshold or that does not exceed
23 a lesser amount determined in the discretion of the department. The department may by rule specify
24 under what circumstances deductions for medical expenses should be used to reduce countable family
25 income in determining eligibility. The department may also adopt rules establishing fees or copayments
26 to be charged recipients for services. The fees or copayments may vary according to family income."

27

28 NEW SECTION. **Section 3. Mental health managed care.** (1) The department of public health and
29 human services shall develop managed care systems for recipients of public mental health services. The
30 department may contract with one or more persons for the management of comprehensive mental health

1 services for medicaid recipients and for persons as specified in 53-6-131(10). The department may
2 contract for the provision of these services by means of a fixed monetary or capitated amount per
3 recipient.

4 (2) A managed care system is a program organized to serve the mental health needs of recipients
5 in an efficient and cost-effective manner by managing the receipt of mental health care and services for
6 a geographical or otherwise defined population of recipients through appropriate health care professionals.
7 The management of mental health care services must provide for services in the most cost-effective
8 manner through coordination and management of the appropriate level of care. The managed care system
9 must include case management that reviews and determines the appropriate level of services on an
10 individual basis in order to ensure that access to care, quality of care, and the cost of the program are
11 maintained.

12 (3) The department shall form a consumer advisory council as provided in 2-15-122 to provide
13 consumer input to the department in the development and management of any public mental health
14 system. Consumers must be included as a majority of any advisory council and must include persons with
15 serious mental illnesses who are receiving public mental health services, other recipients of public mental
16 health services, former recipients of public mental health services, and immediate family members of
17 recipients of public mental health services. Other members of an advisory council may be advocates for
18 consumers or family members of consumers, providers of mental health services, legislators, and
19 department and contractor representatives. The advisory council under this section may be administered
20 so as to fulfill any federal advisory council requirements to obtain federal funds for this program.

21

22 **NEW SECTION.** Section 4. Mental health managed care -- request for proposals. The department
23 of public health and human services shall develop a request for proposals for a regional delivery system
24 of mental health managed care from current providers or other entities that are able to provide
25 administration and delivery of mental health services within a specified region. The request for proposals
26 may be based upon the existing mental health managed care contract, but must include the following
27 elements:

28 (1) specific outcome and performance measures for the administration and delivery of a
29 continuum of mental health services to provide contract compliance monitoring;

30 (2) a fully capitated system in which each regional contractor assumes the financial risk;

- 1 (3) a provision for consumer advisory councils within each region;
2 (4) provisions for appeal at the regional level;
3 (5) provisions for insurance, indemnification, performance bond, or a combination of insurance,
4 indemnification, or performance bond that is sufficient to protect the state from damages upon default
5 or nonperformance;
6 (6) provisions that require documentation of evidence of the ability to provide services and to
7 comply with rules, regulations, and contract requirements and evidence of financial stability or security;
8 (7) a provision that the Montana state hospital will compete for services with prices charged to
9 regional providers to be based on actual per diem charges, as provided for in 53-1-402 and 53-1-413, and
10 for which a charge may not be assessed to any provider for nonuse;
11 (8) the services that must be provided for the medicaid-eligible individuals and medically needy
12 individuals and a provision to allow a spenddown by medically needy individuals to become eligible for
13 medicaid;
14 (9) the services that must be provided to nonmedicaid-eligible individuals whose income levels
15 are below 200% of the federal poverty level as provided for in 53-6-131(10); and
16 (10) a provision that allows implementation of a specific sliding fee scale for copayments by
17 nonmedicaid-eligible individuals by copayment and specific percentage of poverty level.

18
19 NEW SECTION. **Section 5. Codification instruction.** [Section 3] is intended to be codified as an
20 integral part of Title 53, chapter 6, and the provisions of Title 53, chapter 6, apply to [section 3].

21
22 NEW SECTION. **Section 6. Effective date.** [This act] is effective on passage and approval.

23 - END -

FISCAL NOTE

Bill #: SB 534

Title: Implement regional mental health
Managed care process

Primary
Sponsor: Bob Keenan

Status: As introduced

Sponsor Signature _____ Date _____

Dave Lewis 3.30-99
Dave Lewis, Budget Director _____ Date _____

Fiscal Summary

**FY2000
Difference**

**FY2001
Difference**

Net Impact on General Fund Balance: None

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
X		Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. There is no request for additional funding. The Department of Public Health and Human Services (DPHHS) will operate the mental health program within the budget as appropriated.
2. If the federal waiver is cancelled, it will be necessary to return temporarily to a fee-for-service system in FY00. It is expected that a regional, capitated, managed care system of service delivery will be implemented by FY01.
3. During an interim period, until a regional managed care system is established and contracts awarded, it will be necessary to contract for utilization review and service authorization and claims and reporting systems functions. The utilization review and authorization services and system start-up costs will be funded at 50% general fund and 50% federal funds. It is estimated that the total utilization review and authorization functions will cost approximately \$900,000 total funds during FY00 (\$450,000 general fund). System start-up costs are estimated to cost \$200,000 total funds (\$100,000 general fund). Claims processing and reporting will be funded at 25% general fund and 75% federal funds. It is estimated that annual claims processing costs will total \$2,011,440 (\$502,860 general fund).

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(continued)

4. It is anticipated that the department will establish enhanced consumer involvement in the oversight of the mental health delivery system. The enhanced involvement would include: consumer, family, and provider education; increased consumer involvement in consumer satisfaction surveying and focus groups; and an ombudsman in the Addictive and Mental Disorders Division to coordinate consumer involvement activities. Estimated costs for enhanced consumer involvement is \$250,000.
5. If it will be necessary to operate during the interim without a federal 1915 waiver, it is expected that some current services (such as crisis intervention, foster care, group care, and respite) that are paid for with a mix of federal and state funds will need to be paid with general funds only. These services are not traditionally allowable under a fee-for-service system. The general fund cost is projected to be \$1,284,448.
6. It is expected that it will be necessary to reduce services in order to stay within the appropriation level for the program. Currently it is anticipated that it will be necessary to eliminate community hospital inpatient services. This saving would be approximately \$2,922,153.
7. Even with the elimination of the community hospital inpatient services, the state will continue to expend an additional \$351,183 general fund in FY00 as the cost of risk assumption for going from a capitated risk-based managed care system to a fee-for-service system for the interim plan.
8. The net increase in costs with the operation of assumptions 2-7 above during the interim period will be negligible. When the new managed care system is implemented in FY01 the cost of mental health care will be contained within the amounts appropriated in HB2.

TECHNICAL NOTES:

1. An amendment revising MCA, 53-1-413, to allow Medicaid federal funds recovered at Montana State Hospital and the Montana Mental Health Nursing Care Center to be expended for operational expenses will be necessary.

SB 448	SPONSOR: Evlin, Eve	SHORT TITLE: Restructure loan payback for McLaughlin Research Institute
	REFERRED ON: 02/11/1999	HEARD ON: 02/16/1999
	EXECUTIVE ACTION: 02/19/1999 Bill Passed as Amended -- VOTE: 15 - 3	
	FINAL DISPOSITION 04/22/1999 (H) Died in Standing Committee	
SB 449	SPONSOR: DePratu, Bob	SHORT TITLE: Revise depreciation of pickups and SUV's
	REFERRED ON: 03/03/1999	HEARD ON: 03/09/1999
	TABLED ON: 03/11/1999	
	FINAL DISPOSITION 03/31/1999 (S) Missed Deadline for Revenue Bill Transmittal	
SB 459	SPONSOR: Thomas, Fred	SHORT TITLE: Create community infrastructure grants program for economic development; approp.
	REFERRED ON: 02/19/1999	HEARD ON: 03/04/1999
	TABLED ON: 03/05/1999	
	FINAL DISPOSITION 03/26/1999 (S) Missed Deadline for Appropriation Bill Transmitt	
SB 491	SPONSOR: Grimes, Duane	SHORT TITLE: Require mental health managed care to be subject to HMO requirements
	REFERRED ON: 02/23/1999	HEARD ON: 03/05/1999
	TABLED ON: 03/11/1999	
	FINAL DISPOSITION 03/26/1999 (S) Missed Deadline for Appropriation Bill Transmitt	
SB 531	SPONSOR: Beck, Tom	SHORT TITLE: Provide issuance of bonds for privately owned, operated correctional facilities
	REFERRED ON: 03/18/1999	HEARD ON: 03/23/1999
	EXECUTIVE ACTION: 03/23/1999 Bill Passed as Amended -- VOTE: 16 - 2	
	FINAL DISPOSITION 04/22/1999 (H) Died in Standing Committee	
SB 534	SPONSOR: Keenan, Bob	SHORT TITLE: Generally revise laws regarding public mental health delivery
	BY REQUEST OF: (H) Joint Approp Subcommittee On Human Services And Aging	
	REFERRED ON: 03/22/1999	HEARD ON: 03/26/1999
		HEARD ON: 04/08/1999
	EXECUTIVE ACTION: 04/09/1999 Bill Passed as Amended -- VOTE: 12 - 6	
	FINAL DISPOSITION 05/07/1999 Chapter Number Assigned	

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION - SB 534

SUBCOMMITTEE ON FINANCE AND CLAIMS

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on March 26, 1999 at 8:01 A.M., in Room 108 Capitol.

ROLL CALL

Members Present:

Sen. Chuck Swysgood, Chairman (R)
Sen. Tom A. Beck (R)
Sen. Eve Franklin (D)
Sen. Debbie Shea (D)
Sen. Mignon Waterman (D)
Sen. Bob Keenan (R)

Members Excused: Sen. Tom Keating, Vice Chairman (R)
Sen. Chris Christiaens (D)
Sen. William Crismore (R)
Sen. Linda Nelson (D)
Sen. Greg Jergeson (D)
Sen. J.D. Lynch (D)
Sen. Dale Mahlum (R)
Sen. Ken Mesaros (R)
Sen. Ken Miller (R)
Sen. Arnie Mohl (R)
Sen. Mike Taylor (R)
Sen. Daryl Toews (R)

Members Absent: None.

Staff Present: Shannon Gleason, Committee Secretary
Lois Steinbeck, Legislative Branch
Greg Petesch, Legislative Service Division

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Subcommittee action on SB 534,
4/11/1999

Executive Action:

CHAIRMAN SWYSGOOD advised the purpose of the subcommittee was to review, amend, and report to the full committee information on **SB 534**

SEN. KEENAN passed out amendments to the bill **EXHIBIT(1)**.

Greg Petesch explained the amendments were a combination of the amendments requested at the hearing and also others the Legislative Fiscal Division felt were needed. **Mr. Petesch** reviewed the amendments line by line.

Laurie Ekenger, Department of Public Health and Human Services (DPHHS), advised the committee she felt the amendments addressed the issues the department had.

SEN. WATERMAN asked if there was anything in the bill that addressed the waiver program. **Mr. Petesch** did not believe there was specific language addressing that.

SEN. WATERMAN questioned if **REP. KASTEN** had a response to a letter she had written asking for clarification on the program. **REP. KASTEN** advised she had not received a response. **SEN. WATERMAN** stressed it was important to keep the waiver or the children's wrap around service would be lost, and she wanted language in the bill to address keeping the waiver.

CHAIRMAN SWYSGOOD thought everyone was concerned the program not return to the past fee for service, however he felt there should be an opportunity for some type of fee for service if it was needed in the transition.

REP. KASTEN felt the language in **HB 2** touched on that. **Lois Steinbeck**, Legislative Services, advised the **DPHHS** was planning to return to fee for service on 7/1/99. **Health Care Financing Administration (HCFA)** has advised once that happens the waiver would be abandoned, and the ability to receive Medicaid reimbursement would be lost except for hospitalization. **Ms. Steinbeck** explained the waiver allows Medicaid to be used for a wide variety of other items, and if the state retained the waiver but assumed financial risk, the state would be reimbursed on a per capita rate. If the services cost more than the reimbursement the state would have to pay the overage out of General Fund. **Ms. Steinbeck** advised if the state was directed to stay within the budget and not incur cost overruns, services would be reduced.

Dan Anderson, DPHHS, agreed with **Ms. Steinbeck**, but added if the state capitates it would become the managed care company and

there would be a emphasis to reduce services to stay within the budget. **Mr. Anderson** felt there was no way to guarantee the waiver, as acceptance was up to the federal government.

CHAIRMAN SWYSGOOD asked if the state would be forced to returned to fee for service if the waiver was lost. **Mr. Anderson** thought that was correct.

SEN. WATERMAN thought the state had to reapply for the waiver in July anyway, and the Federal Government indicated they would cooperate. No **HCFA** waiver has been canceled and **SEN. WATERMEN** thought as long as the state did not return to fee for service the Federal Government would cooperate as much as they could.

Mr. Anderson stated **HCFA** indicated on a conference call the emphasis with the waiver was the state's restriction of the freedom of provider choice for recipient. The payment method was not the question. The critical portion was the care management and restriction of access.

REP. KASTEN pointed out the waiver deals with only Medicaid population and not the entire service. **Mr. Petesch** stated the other thing indicated in the conference call with **HCFA** was the legislative intent, and the preamble of this bill was designed to show the legislative intent.

SEN. BECK asked if that was why the language on amendment 13 was stated as such. **Mr. Petesch** advised it was there to make sure services were used in the most cost effective manner so the state hospital did not turn into a dumping ground.

CHAIRMAN SWYSGOOD asked **Ms. Steinbeck** to explain the letter to **HCFA**. **Ms. STEINBECK** explained the letter was a follow up to the conference call. **HCFA** has agreed to extend the waiver after the state takes over the care. **Wayne Smith** from the **HCFA** program stated if the services offered under the program do not change he would consider the waiver in effect even if Magellan leaves. The letter asked if Magellan left and the state picks up another provider would the waiver would continue. If they say yes, then the issue is for the department to find another organization to manage care, as the state would be paying at that time. If **HCFA** allows the waiver extension a new application would need to resubmitted for the continued service.

REP. BARNHART stated there were three conditions **HCFA** cited, and asked if freedom of choice was one of the three. **Ms. Steinbeck** advised it was.

SEN. BECK wanted to verify if an interim provider was appointed, the appointment would only last until the contracts were awarded. **Ms. Steinbeck** advised yes, and the replacement would be there until a permanent provider was selected. {Tape : 1; Side : A; Approx. Time Counter :8:30}

CHAIRMAN SWYSGOOD wanted time frames. He was advised on 5/1/99 the department assumed financial risk and Magellan was the managed health entity until 7/1/99.

CHAIRMAN SWYSGOOD asked how the costs would be contained while Magellan was providing services. **Mike Billings**, DPHHS, advised it would be business as usual and preauthorizations were required. **CHAIRMAN SWYSGOOD** wanted to know what was going to happen if they don't stay within budget. **Mr. Billings** advised that was being discussed, but added the data indicated they were controlling costs far better than they had been in the past.

CHAIRMAN SWYSGOOD asked if the state returned to fee for service for the Medicaid portion and the waiver was voided, how the state would return to the waiver. **Randy Poulsen**, DPPHS, advised the state would have to apply for a new waiver, however the process would be no more complicated than applying for the renewal of the waiver.

CHAIRMAN SWYSGOOD asked if the waiver was extended until 7/1/99. **Mr. Poulsen** advised the department has applied for an extension and a new waiver would be applied for as soon as the department knew what direction it was to go in.

SEN. KEENAN asked what direction the state was going in and was upset because the state was waiting so long to form a plan. **Mr. Poulsen** advised the plan was on **EXHIBIT(2)**.

REP. KASTEN asked when the RFP would be issued. **Mr. Poulsen** felt the new provider could be in place between February and July. **REP. KASTEN** wanted to know when the provider would be selected to cover in the interim. **Mr. Poulsen** thought they would be selected soon. **REP. KASTEN** advised 9/3/99 the proposals were due for the providers and the contract would be awarded on 10/15/99. **CHAIRMAN SWYSGOOD** asked if the contract could be awarded without the waiver. **Mr. Poulsen** advised it could.

SEN. KEENAN asked for the status of the network of providers. **Mr. Poulsen** felt under the contingency plan the provider rate would not suffer and possibly increase because several would not work with Magellan.

SENATE COMMITTEE ON FINANCE AND CLAIMS

March 26, 1999

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SEN. KEENAN wondered if the pharmacy discount could be accessed during this period. **Mr. Poulsen** advised it could.

SEN. KEENAN asked how many hospitals had an agreement with Magellan. **Mr. Poulsen** thought there were several. **SEN. KEENAN** asked where they would be. **Mr. Poulsen** advised the contract rate would not be in place. **SEN. KEENAN** asked whether the costs would decrease. **Mr. Poulsen** did not know.

SEN. FRANKLIN wanted a full report of financial status involving the Magellan settlement. **CHAIRMAN SWYSGOOD** advised it was being negotiated with forgiveness of penalties and fines and thought there was \$900,000.00 for a buyout, however no numbers were final.

REP. KASTEN felt the Wednesday after Easter was the time everyone should know.

Mr. Billings advised an agreement was signed late last night and has changed very little.

REP. COBB was very upset and wanted a report today.

Mr. Billings advised a copy of the agreement would be made available today.

SEN. KEENAN requested the estimate for the cost overage for the next three months. **Mr. Billings** did not feel there would be a cost overrun.

SEN. WATERMAN wanted to know the cost for hospitalized non-medicaid reimbursement. **Mr. Poulsen** expected all rates would be the same and the rates were not yet set, however acute care hospitalization services would not be reimbursed.

SEN. WATERMAN wondered how the school-based services would be effected. **Mr. Anderson** advised the services would be evaluated to see if they could fit into another category but there were some services that did not fall into a clear category and would not be reimbursed. {Tape : 1; Side : B; Approx. Time Counter : 0}

Robert Runkle, Office of Public Instruction, advised the schools would lose aides and additional supervision for transportation. **SEN. WATERMAN** felt the loss of those services would cause those children to be placed somewhere else and exasperate another budget.

REP. BARNHARDT wanted additional information on the **HCFA** waiver as she understood if the legislative intent was there the waiver would be extended. **CHAIRMAN SWYSGOOD** advised it was in the air until someone responded to **REP. KASTEN's** letter.

SEN. KEENAN asked if there was no cost overrun why the state would return to fee-for-service and not continue the waiver. **Ms. Ekanger** explained the difference between fee for service and decapitated and addressed why the department could not manage the care.

Ms. Steinbeck advised the program people are thinking of is a program the department will go to on 5/1/99 and wanted to know if a provider could be hired with the state reimbursing costs. **Ms. Ekanger** stated if the state would want to assume the risk and if **HCFA** was willing. **CHAIRMAN SWYSGOOD** felt there was no difference and did not understand the problem. **Ms. Ekanger** felt the department was at full risk to stay within the budget.

SEN. FRANKLIN requested the payment structure Magellan would receive over the next few months. The department advised for May and June nothing and ongoing .96 per claim.

CHAIRMAN SWYSGOOD stated **HCFA** was concerned the federal portion did not increase. **Mr. Poulsen** agreed, and felt if all three requirements were met **HCFA** would be satisfied.

Motion/Vote: **SEN. KEENAN** moved that **AMENDMENT SB053402.AGP BE ADOPTED. Motion carried unanimously.**

{Tape : 1; Side : B; Approx. Time Counter :8:55}

CHAIRMAN SWYSGOOD thought **HB 2** had been amended to include a guideline.

SEN. FRANKLIN thought **Kip Smith** had an amendment to review and handed out **EXHIBIT(3)**.

Mr. Smith examined the amendments and advised **Susan Fox**, Legislative Division, had also reviewed them. **Mr. Petesch** advised the committee there were existing statutes governing managed care and the amendment would place the Insurance Commissioner as a provider overseer.

Russ Cater, DPHHS, advised the insurance code was very lengthy but he felt this provision was alright with another amendment allowing the department to adopt a scope of services.

CHAIRMAN SWYSGOOD felt this amendment would do the same as **SEN. GRIMES** bill. **Bob Olsen**, Montana Health Association, advised the difference was the Insurance Commissioner had the right to waive all codes that are not applicable.

SEN. WATERMAN felt the amendments sent a mixed message to the department concerning regional care. **Ms. Ekenger** advised the department was continuing with a regional program. **SEN. BECK** asked if the word regional made a difference. **Ms. Ekenger** felt the language was already there and nothing would prevent a region to region transition. **CHAIRMAN SWYSGOOD** advised staff would research the amendments prior to voting on it.

SEN. KEENAN wanted to know the departments concept of the Consumer Advisory Counsel. **Ms. Ekenger** felt the provision in statute was fine and understood a consumer advocacy education program was wanted. **SEN. KEENAN** advised he had received e-mail from an attorney that was watching this. **Ms. Ekenger** felt the cost implications would need to be addressed in association with the counsel.

SEN. WATERMAN wanted to work with **SEN. KEENAN** on the consumer language.

CHAIRMAN SWYSGOOD noted on page five it was required consumers made up the majority and felt there should be not statue as to who was to be the majority.

REP. KASTEN asked for "at large" verbiage.

SEN. WATERMAN wanted to make sure the continuation of the waiver was addressed.

CHAIRMAN SWYSGOOD advised there would be another subcommittee meeting to address the questions raised and allow staff to review the concerns.

SEN. FRANKLIN was upset that the department did not disclose the agreement with Magellan until pressured to respond to questions by the committee. The entire committee concurred.

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON FINANCE AND CLAIMS - SB 534

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on April 7, 1999 at 3:38 P.M., in Room 108 Capitol.

ROLL CALL

Members Present:

Sen. Chuck Swysgood, Chairman (R)
Sen. Tom A. Beck (R)
Sen. Eve Franklin (D)
Sen. Bob Keenan (R)
Sen. Debbie Shea (D)
Sen. Mignon Waterman (D)

Members Excused: Sen. Tom Keating, Vice Chairman (R)
Sen. Chris Christiaens (D)
Sen. William Crismore (R)
Sen. Greg Jergeson (D)
Sen. J.D. Lynch (D)
Sen. Dale Mahlum (R)
Sen. Ken Mesaros (R)
Sen. Ken Miller (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Mike Taylor (R)
Sen. Daryl Toews (R)

Members Absent: None.

Staff Present: Shannon Gleason, Committee Secretary
Susan Fox, Legislative Branch
Lois Steinbeck, Legislative Branch
Greg Petesch, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Subcommittee on SB 534,
4/11/1999
Executive Action: Amendments

CHAIRMAN SWYSGOOD advised the subcommittee would finalize the changes to the bill today, and handed out grey bill #3, **EXHIBIT(1)**. **CHAIRMAN SWYSGOOD** thanked the staff and everyone who had been working on the bill, and felt the bill was addressing the majority of concerns while moving in the right direction.

Susan Fox, Legislative Services Division, walked the committee through the changed bill. **Ms. Fox** advised the changes from the previous copy were marked in the margin.

SEN. WATERMAN asked for clarification on page five, lines 20 through 22. **Ms. Fox** advised the first part was there because it was vestige left from the reorganization and could not be specifically applied. **Russ Cater**, DPHHS, thought the provision was there so the state hospital would have operating funds. **Lois Steinbeck**, Legislative Services Division, asked **Greg Petesch**, Legislative Legal Division, if the funds could be appropriated with this language to a managed care entity. **Mr. Petesch** advised as long as the appropriation benefits the institution, the money could be used. **Mr. Petesch** referred to subsection three and stated the idea was to require Federal money be used in the same manner as the State Special Revenue Account. **CHAIRMAN SWYSGOOD** stated if the department moved money it must benefit the institution. **Mr. Petesch** advised the benefit was not the same as "solely for the support of the institution". **SEN. WATERMAN** added it is not to the benefit of the consumers either, and was troubled this may not encourage the consumer to be moved into a community setting. **CHAIRMAN SWYSGOOD** felt she was reading more into it than need be.

Ms. Steinbeck advised the change in language allows shared risks between the department and managed care contractors.

Ms. Steinbeck asked if "non-medicaid eligible" is because medically needed could have incomes below 200% of the poverty levels. **Mr. Petesch** advised a statute already covers it.

SEN. WATERMAN asked why medically needy individuals were struck on page 11, line three. **Russ Cater**, DPHHS, advised it was so the spend down mechanism was not confused in the bill. **Ms. Steinbeck** advised coverage for medically needy does not currently require a spend down. **Dan Anderson**, DPHHS, thought Section I required a person to spend down in order to become medically needy. **Ms. Steinbeck** advised the subcommittee was concerned that people who can become Medicaid eligible through a spend down do so, and explained the structure now prevents that, if they are captured in the 200% poverty group they never incur a spend down. **CHAIRMAN SWYSGOOD** advised there were three groups they were

trying to encompass. **SEN. WATERMAN** agreed and noted a concern with Magellan was people under the 200% level were being covered under non-Medicaid funds and they should have been covered under Medicaid as medically needy. Both **SEN. WATERMAN** and **CHAIRMAN SWYSGOOD** agreed that was the intent. **Mr. Petesch** advised he would take care of that.

Bob Olsen, Mental Health Association, asked the logic of item three. **Mr. Petesch** advised they were two separate entities. **Russ Cater** advised the language was an abbreviated version of current language.

CHAIRMAN SWYSGOOD wanted the language on page 11, line 19 to be Legislative Finance Committee.

Lois Steinbeck was concerned with the language on page 13, Section 10. There was a question if it could be used to say there was no coverage until discharged. **Mr. Anderson** was also concerned. **Ms. Fox** advised they had to become eligible while they were hospitalized. **SEN. FRANKLIN** thought the wording should be "not prohibited".

Anita Rossman, Montana Advocacy Program (MAP), felt the language would slow down the delivery of services. **Mr. Petesch** stated the language allows the services to be provided right away, not slow it down. **Ms. Fox** advised the language could be used for physical health and there were "gatekeeper" reasons to not allow enrollment until discharged. This allowed flexibility.

Kip Smith, Primary Care Association, wanted to know what the Federal requirements were. **Mr. Cator**, DPHHS, advised the auditor requested the changes from "actuarially sound to fiscally sound".
{Tape : 1; Side : A; Approx. Time Counter : 4:10}

Mr. Petesch advised the audit language was being changed to reflect the intent to ensure the provider be financially sound, not audit the company ongoing.

Motion: **SEN. BECK** moved that **AMENDMENT SB053405.AGP EXHIBIT(2)** BE ADOPTED.

Discussion:

CHAIRMAN SWYSGOOD advised Federal law directs the advisory council make up.

SEN. WATERMAN wanted to make sure the ombudsman had influence and could assist in resolving change within the department.

Claudia Clifford, Insurance Commissioner's Office, asked to have their role defined.

Andrea Merrill, Mental Health Association, explained her view of the council. **Ms. Merrill** felt the council should be separate from the department as she felt the department would not have an objective view of itself. {Tape : 1; Side : B; Approx. Time Counter : 4:20}

Ms. Rossman, MAP, explained her idea of the council and stated she did not feel the council should be tied to the department.

CHAIRMAN SWYSGOOD advised there was a motion on the table for the amendment. **CHAIRMAN SWYSGOOD** did not want to establish two councils and felt this would work.

SEN. WATERMAN stated it was attached to the Board of Visitors for administrative purposes.

SEN. BECK thought this was the way to go.

Vote: Motion carried unanimously.

Mr. Petesch stated on the top of page 10 the provision the department had to include was stated and the wording should be "at least annually" and "not less than annually" be removed.

Motion/Vote: **SEN. KEENAN** moved that **CONCEPTUAL AMENDMENT BY MR. PETESCH BE ADOPTED**. Motion carried unanimously.

Motion/Vote: **SEN. BECK** moved that **LEGISLATIVE FINANCE COMMITTEE BE ADDED TO PAGE 11, LINE 21 AND STRIKE CHILDREN FAMILY HEALTH HUMAN SERVICES SUBCOMMITTEE BE ADOPTED**. Motion carried unanimously.

Motion/Vote: **SEN. SWYSGOOD** moved that **THE AMENDMENTS AS AMENDED BE PASSED BE ADOPTED**. Motion carried unanimously.

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on April 8, 1999 at 7:05 A.M., in Room 108 Capitol.

ROLL CALL

Members Present:

Sen. Chuck Swysgood, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. Tom A. Beck (R)
Sen. Chris Christiaens (D)
Sen. William Crismore (R)
Sen. Eve Franklin (D)
Sen. Greg Jergeson (D)
Sen. Bob Keenan (R)
Sen. J.D. Lynch (D)
Sen. Dale Mahlum (R)
Sen. Ken Mesaros (R)
Sen. Ken Miller (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Debbie Shea (D)
Sen. Mike Taylor (R)
Sen. Daryl Toews (R)
Sen. Mignon Waterman (D)

Members Excused: None.

Members Absent: None.

Staff Present: Shannon Gleason, Committee Secretary
Clayton Schenck, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 135, HB 313, HB 79, HB 389,
HB 660, SB 534, 4/19/1999
Executive Action: HB 260, HB 660, SB 534, HB 389

Closing by Sponsor:

REP. MOOD advised the process had been slowed to a crawl and it was frustrating. REP. MOOD disagreed with SEN. JERGESON'S concerns. Greg Petesch, Legislative Legal Division, had reviewed the legality of the bill, and did not feel it was unconstitutional. REP. MOOD felt the present system of lending to the university system was wrong, and should be corrected. REP. MOOD did not feel there was any better use for the trust money than the development of Montana. If there was not investment in the state there would be nothing left to worry about. REP. MOOD felt the citizen board was important because it contained people outside of the system.

The committee recessed until 4:33

S
HEARING ON SB 534

Sponsor: SEN. BOB KEENAN, SD 38, BIGFORK

Proponents: Mona Jamison, Shodair Hospital
Donald Harr, Montana Psychiatric and Mental
Health Association (MPMHA)
Bob Olsen, Mental Health Association (MHA)
Kip Smith, Montana Primary Care Association
Andrea Merrill, Mental Health Association
Dan Anderson, Department of Public Health and
Human Services
Craig Littlefield, Children's Comprehensive
Service (CCS)
Art Noonan, Aware Inc.
Kathy McGowen, Montana Association of Mental
Health Centers

Opponents:

Opening Statement by Sponsor:

SEN. KEENAN handed out grey bill #4 EXHIBIT(33), and read EXHIBIT(34), the changes in the bill.

Proponents' Testimony:

Mona Jamison, Shodair Hospital, supported the bill, but requested an amendment to allow the use of impatient beds for children at Shodair Hospital and CCS. Ms. Jamison advised without the amendment children would be forced to go to Billings Deaconess, no matter how far away they lived. Ms. Jamison explained CCS and

Shodair had expanded their beds and are currently providing services. {Tape : 4; Side : B; Approx. Time Counter : 00}

Don Harr, MCMHA, rose in support of the bill with the amendments by **SEN. KEENAN**.

Bob Olsen, MHA, rose in support of the bill and pledged ongoing support while in the transition.

Kip Smith, Montana Primary Care Association, rose in support of the bill and the amendments.

Andrea Merrill, MHA, advised the committee they did the right thing, and as a result of this process Montanans were informed. **Ms. Merrill** felt there should be more funding for the program or services would have to be reduced.

Dan Anderson, DPHHS, advised the department supported the bill, and felt it established the appropriate guard rails.

Craig Littlefield, CCS, supported the bill with the amendments offered by **Ms. Jamison**.

Art Noonan, Aware Inc., agreed the future was uncertain, and everyone needed to join together to move forward.

Kathy McGowen, Montana Association of Mental Health Centers, rose in support of the bill.

Questions from Committee Members and Responses:

SEN. FRANKLIN wanted clarification of the Federal requirements for actuary soundness. **Frank Cote**, Deputy Insurance Commissioner, advised the committee they would be requesting a Fiscal Note asking for two FTE to oversee the next managed care provider. **Mr. Cote** believed the FTE would be needed because of the wording in the bill, and the requirements of the department.

SEN. TOEWS was concerned with all the "may" wording in the bill. **Greg Petesch** advised the bill was drafted to give legislative directive for the transition. **CHAIRMAN SWYSGOOD** stated the department needed to be flexible to allow services to continue through the transition period.

SEN. CHRISTIAENS was concerned that the bill may give someone the idea it was okay to return to fee for service and wanted clarification. **SEN. KEENAN** advised **SEN. WATERMAN** had an

amendment to address those concerns, and stated the department has been advised that was not the intent.

CHAIRMAN SWYSGOOD stated **Mr. Petesch** felt this would allow the Auditor's Department to adopt rules allowing the Commissioner to only explore the financial soundness of a company. **Mr. Petesch** cited Title 53, chapter 7. **Mr. Cote** did not interpret the code that way. The committee stated the legislative intent was that the Auditor review the financial soundness of a proposed managed care company, not regulate them.

SEN. FRANKLIN wanted clarification of the ombudsman and auditor's role. **SEN. LYNCH** agreed.

Closing by Sponsor:

SEN. KEENAN closed.

CHAIRMAN SWYSGOOD stated he was sure everyone who testified, and the committee had concerns with the transition in the interim. This was the best solution in **CHAIRMAN SWYSGOOD's** mind.

EXECUTIVE ACTION ON SB 534

Motion/Vote: **SEN. LYNCH** moved SB 534 AS AMENDED BY THE SUBCOMMITTEE BE ADOPTED. Motion carried unanimously.

Motion: **SEN. LYNCH** moved that SB053414.ASF EXHIBIT(35) BE ADOPTED.

Discussion:

SEN. CHRISTIAENS reviewed the history of the additional beds. If the amendment was not adopted the two inpatient hospitals would be left out of the system, and the only in-state hospital would be Deaconess. **SEN. WATERMAN** thought the word shall should be replaced by may. **SEN. CHRISTIAENS** stated he wanted the wording because he understood the department did not intend to use the beds. **SEN. KEATING** asked for the department to comment on that statement. **DAN ANDERSON**, DPHHS, advised the department already had the authority to include the services. The department did not intend to include it because they were going back to the services provided prior to the contract with Magellan. **Mr. Anderson** did not want to be required to include this service.

Substitute Motion: **SEN. WATERMAN** made a substitute motion that THE WORD SHALL BE REPLACED WITH MAY IN THE AMENDMENT.

Discussion:

SEN. CHRISTIAENS resisted the change and stated Deaconess Hospital would be the only hospital used.

SEN. LYNCH also resisted the motion. The idea behind the changes was to allow people easier access to care, this would require them to go to Deaconess.

CHAIRMAN SWYSGOOD favored the motion because under managed care, the acute went to Deaconess, and there was no rate structure to insure the costs did not get out of hand.

SEN. CHRISTIAENS commented the hospitals were willing to work with the department, and not charge more than Deaconess.

Vote: Motion carried 12-6 with Christiaens, Franklin, Jergeson, Lynch, Nelson, and Shea voting no.

Motion: **SEN. WATERMAN** moved that **AMENDMENT SB053415.ASF EXHIBIT(36) BE ADOPTED.**

Discussion:

SEN. WATERMAN explained the amendments. Number one was not added by the subcommittee, and would need to be adopted.

Mr. Petesch advised the reference to the bill was the original bill. **Mr. Petesch** felt this needed to be adopted.

Vote: Motion carried unanimously.

Motion/Vote: **SEN. KEENAN** moved that **AMENDMENT SB053416.ASF EXHIBIT(37) BE ADOPTED.** Motion carried unanimously.

Motion/Vote: **SEN. WATERMAN** moved that **SB 534 DO PASS AS AMENDED.** Motion carried 16-2 with Christiaens and Lynch voting no.

SEN. LYNCH explained this bill had a huge impact on the future, and he felt it was moving to fast. **SEN. MAHLUM** stated he had confidence in the subcommittee, and everyone who had been working on this bill.

EXECUTIVE ACTION ON HB 260

Motion: **SEN. MAHLUM** moved that **HB 260 BE CONCURRED IN.**

INDEX TO BILLS IN COMMITTEE

- Committee: (H) Appropriations -

June 30, 1999

01:01 PM

SB 406	SPONSOR: Doherty, Steve	SHORT TITLE: Revise laws for formation of cooperative to purchase power for small customers
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REFERRED ON: 03/02/1999 HEARD ON: 03/26/1999

EXECUTIVE ACTION: 03/29/1999 Bill Concurred as Amended -- VOTE: 15 - 0

FINAL DISPOSITION 05/07/1999 Chapter Number Assigned

SB 448 **SPONSOR:** Franklin, Eve **SHORT TITLE:** Restructure loan payback for McLaughlin Research Institute

REFERRED ON: 03/02/1999 HEARD ON: 03/26/1999

REFERRED ON: 04/08/1999

EXECUTIVE ACTION: 03/30/1999 Bill Concurred -- VOTE: 10 - 8

TABLED ON: 04/08/1999

FINAL DISPOSITION 04/22/1999 (H) Died in Standing Committee

SB 460 **SPONSOR:** Ellis, Alvin **SHORT TITLE:** Generally revise school laws

REFERRED ON: 03/31/1999 HEARD ON: 04/07/1999

EXECUTIVE ACTION: 04/07/1999 Bill Concurred as Amended -- VOTE: 15 - 1

FINAL DISPOSITION 04/29/1999 Chapter Number Assigned

SB 467 **SPONSOR:** Bartlett, Sue **SHORT TITLE:** Establish a FAIM reemployment insurance program for low-wage workers

REFERRED ON: 03/12/1999 HEARD ON: 03/26/1999

(H) Discussed in Committee ON: 03/30/1999

(H) Discussed in Committee ON: 04/12/1999

TABLED ON: 03/31/1999

FINAL DISPOSITION 04/22/1999 (H) Died in Standing Committee

SB 531 **SPONSOR:** Beck, Tom **SHORT TITLE:** Provide issuance of bonds for privately owned, operated correctional facilities

REFERRED ON: 03/27/1999 HEARD ON: 04/07/1999

TABLED ON: 04/07/1999

FINAL DISPOSITION 04/22/1999 (H) Died in Standing Committee

SB 534 **SPONSOR:** Keenan, Bob **SHORT TITLE:** Generally revise laws regarding public mental health delivery

BY REQUEST OF: (H) Joint Approp Subcommittee On Human Services And Aging

REFERRED ON: 04/13/1999 HEARD ON: 04/14/1999

EXECUTIVE ACTION: 04/15/1999 Bill Concurred as Amended -- VOTE: 13 - 5

FINAL DISPOSITION 05/07/1999 Chapter Number Assigned

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By VICE CHAIRMAN STEVE VICK, on April 14, 1999 at
8:00 A.M., in Room 104 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Vice Chairman (R)
Rep. Beverly Barnhart (D)
Rep. Peggy Bergsagel (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. John Cobb (R)
Rep. Stan Fisher (R)
Rep. Dick Haines (R)
Rep. Royal Johnson (R)
Rep. Betty Lou Kasten (R)
Rep. Matt McCann (D)
Rep. Red Menahan (D)
Rep. Ray Peck (D)
Rep. Lila Taylor (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: Rep. Tom Zook, Chairman (R)
Rep. Joe Quilici, Vice Chairman (D)
Rep. Ernest Bergsagel (R)

Members Absent: None.

Staff Present: Joanne Gunderson, Committee Secretary
Susan Fox, Legislative Services Division

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 534, 4/13/1999
Executive Action: SB 534

Comment

The hearing on SB 534 extended over the period of April 14 and April 15 with the meeting on April 14 recessing at 11:45 AM until 8:00 AM on April 15.

HEARING ON SB 534

Opening Statement by Sponsor:

Sen Bob Keenan, SD 38, presented SB 534, which he described as a mental health care access plan.

{Tape : 1; Side : A; Approx. Time Counter : 0 - 279}

Proponents' Testimony:

Kathy McGowan, Mental Health Centers

{Tape : 1; Side : A; Approx. Time Counter : 279 - 357}

Anita Roessman, Montana Advocacy Program

{Tape : 1; Side : A; Approx. Time Counter : 357 - Side : B;
Approx. Time Counter : 75}

Kip Smith, Montana Primary Care Association

{Tape : 1; Side : B; Approx. Time Counter : 75 - 131}

Laurie Ekanger, Director, Montana Department of Public Health and Human Services

{Tape : 1; Side : B; Approx. Time Counter : 131 - 267}

Donald Harr, Psychiatric Association, Montana Medical Association

{Tape : 1; Side : B; Approx. Time Counter : 267 - 333}

Andrea Merrill, Executive Director, Montana Mental Health Care Association

{Tape : 1; Side : B; Approx. Time Counter : 333 - 450}

Rep. Loren Soft

{Tape : 2; Side : A; Approx. Time Counter : 0 - 54}

Craig Littlefield, Children's Compensation Service

{Tape : 2; Side : A; Approx. Time Counter : 54 - 62}

Colleen Murphy, National Association of Social Workers

{Tape : 2; Side : A; Approx. Time Counter : 62 - 85}

Mona Jamison, Shodair Children's Hospital

{Tape : 2; Side : A; Approx. Time Counter : 85 - 114}

Brian Garrity, Mental Health Association

{Tape : 2; Side : A; Approx. Time Counter : 114 - 151}

Gloria Hermanson, Montana Psychological Association

{Tape : 2; Side : A; Approx. Time Counter : 151 - 162}

Gene Hair, Montana Board of Visitors

{Tape : 2; Side : A; Approx. Time Counter : 162 - 168}

Sen. Mignon Waterman

{Tape : 2; Side : A; Approx. Time Counter : 168 - 216; Comments :
Discussed amendments, Resisted Rep. Peck proposed amendment.}

Claudia Clifford, Insurance Commissioner, Healty Policy
Specialist

{Tape : 2; Side : A; Approx. Time Counter : 216 - 245}

Joan Nell Macfadden, Children's Advocate

{Tape : 2; Side : A; Approx. Time Counter : 245 - 266}

Bob Olson, Montana Hospital Association

{Tape : 2; Side : A; Approx. Time Counter : 266 - 323}

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 323 - Tape : 3; Side
: A; Approx. Time Counter : 407}

EXECUTIVE ACTION ON SB 534

Motion: REP. COBB moved that SB 534 BE CONCURRED IN.

Motion: REP. COBB moved that SB 534 BE AMENDED. EXHIBIT(1)

Discussion:

{Tape : 3; Side : A; Approx. Time Counter : 407 - Side : B;
Approx. Time Counter : 340}

Substitute Motion: REP. KASTEN made a substitute motion that HB
534 BE AMENDED to strike "not exclude" and insert "authorize" on
Page 16, Line 3.

Discussion:

HOUSE COMMITTEE ON APPROPRIATIONS

April 14, 1999

PAGE 4 of 6

{Tape : 3; Side : B; Approx. Time Counter : 340 - Tape : 4; Side : A; Approx. Time Counter : 20}

Rep. Barnhart asked to segregate the amendments in Exhibit 1 with the first vote on items 1 through 5 and item 6 to be voted separately.

Vote: Motion on items 1 through 5 of the amendments carried 11-2 with Cobb and Peck voting no.

{Tape : 4; Side : A; Approx. Time Counter : 20 - 28}

Motion/Vote: REP. BARNHART moved that the amendment (Exhibit 1) to HB 534 BE AMENDED by striking "as necessary". Motion on item 6 of the amendment as amended carried 12-1 with McCann voting no.

{Tape : 4; Side : A; Approx. Time Counter : 28 - 35}

Motion/Vote: REP. COBB moved that HB 534 BE AMENDED to include a termination date for Section 14 of July 1, 2001. Motion carried unanimously.

{Tape : 4; Side : A; Approx. Time Counter : 35 - 73}

Motion: REP. KASTEN moved that HB 534 BE AMENDED. EXHIBIT(2)

Discussion:

{Tape : 4; Side : A; Approx. Time Counter : 73 - 110}

Vote: Motion failed 9-9 by Roll Call Vote (#1).

Motion: REP. PECK moved that HB 534 BE AMENDED. EXHIBIT(3)

Discussion:

{Tape : 4; Side : A; Approx. Time Counter : 110 - 381}

Vote: Motion failed 9-9 by Roll Call Vote #2.

{Tape : 4; Side : A; Approx. Time Counter : 381 - 399; Comments : The committee recessed until 8 AM on 4/15/99.}

Motion: REP. BARNHART moved that HB 534 BE AMENDED. EXHIBIT(4)

Discussion: Rep. Peck discussed an amendment (Exhibit 5). He declined to move that it be adopted saying Rep. Barnhart's amendment replaced it.

EXHIBIT(5)

Discussion:

{Tape : 4; Side : A; Approx. Time Counter : 399 - Side : B; Approx. Time Counter : 114}

Vote: Motion failed 10-5 with E. Bergsagel, P. Bergsagel, Fisher, Johnson, and Witt voting aye. (Reps. Buzzas, Quilici and Zook were absent and did not leave proxy votes.)

Motion/Vote: REP. KASTEN moved that SB 534 BE AMENDED to strike licensure and financial solvency and insert "licensure and financial solvency provisions of" on page 3, lines 27 and 28. Motion carried unanimously.

{Tape : 4; Side : B; Approx. Time Counter : 114 - 140}

Motion: REP. KASTEN moved that SB 534 BE AMENDED on page 15, lines 27 through 29 to strike following "purposes" through "21."

Discussion:

{Tape : 4; Side : B; Approx. Time Counter : 140 - 414}

Vote: Motion carried 16-2 by Roll Call Vote #3.

Motion: REP. PECK moved that SB 534 BE AMENDED. EXHIBIT(6)

Discussion:

{Tape : 5; Side : A; Approx. Time Counter : 8 - 50; Comments :
The amendment was modified to remove the word, "consumer".}

Vote: Motion failed 5-13 by Roll Call Vote #4.

Discussion:

{Tape : 5; Side : A; Approx. Time Counter : 50 - 262}

Motion: REP. MENAHAN moved that SB 534 BE CONCURRED IN AS AMENDED.

Discussion:

{Tape : 5; Side : A; Approx. Time Counter : 262 - 490} EXHIBIT(7)

Vote: Motion carried 13-5 by Roll Call Vote #5.